



Fidelity National Financial

Investor Update

Winter 2025

Disclaimer

This presentation contains forward-looking statements that involve a number of risks and uncertainties. Statements that are not historical facts, including statements regarding our expectations, hopes, intentions or strategies regarding the future are forward-looking statements. Forward-looking statements are based on management's beliefs, as well as assumptions made by, and information currently available to, management. Because such statements are based on expectations as to future financial and operating results and are not statements of fact, actual results may differ materially from those projected. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. The risks and uncertainties which forward-looking statements are subject to include, but are not limited to: changes in general economic, business, political crisis, war and pandemic conditions, including ongoing geopolitical conflicts; consumer spending; government spending; the volatility and strength of the capital markets; investor and consumer confidence; foreign currency exchange rates; commodity prices; inflation levels; changes in trade policy; tariffs and trade sanctions on goods; trade wars; supply chain disruptions; weakness or adverse changes in the level of real estate activity, which may be caused by, among other things, high or increasing interest rates, a limited supply of mortgage funding or a weak U.S. economy; our potential inability to find suitable acquisition candidates; our dependence on distributions from our title insurance underwriters as a main source of cash flow; significant competition that F&G and our operating subsidiaries face; compliance with extensive government regulation of our operating subsidiaries, including regulation of title insurance and services and privacy and data protection laws; systems damage, failures, interruptions, cyberattacks and intrusions, or unauthorized data disclosures; and other risks detailed in the "Statement Regarding Forward-Looking Information," "Risk Factors" and other sections of FNF's Form 10-K and other filings with the Securities and Exchange Commission.

Non-GAAP Financial Measures

Generally Accepted Accounting Principles (GAAP) is the term used to refer to the standard framework of guidelines for financial accounting. GAAP includes the standards, conventions, and rules accountants follow in recording and summarizing transactions and in the preparation of financial statements. In addition to reporting financial results in accordance with GAAP, this presentation includes non-GAAP financial measures, which the Company believes are useful to help investors better understand its financial performance, competitive position and prospects for the future. These non-GAAP financial measures include, adjusted net earnings per share, adjusted pre-tax title earnings, adjusted pre-tax title earnings as a percentage of adjusted title revenue (adjusted pre-tax title margin), adjusted net earnings attributable to common shareholders (adjusted net earnings), assets under management (AUM), average assets under management (AAUM) and sales.

Management believes these non-GAAP financial measures may be useful in certain instances to provide additional meaningful comparisons between current results and results in prior operating periods. Our non-GAAP financial measures may not be comparable to similarly titled measures of other organizations because other organizations may not calculate such non-GAAP financial measures in the same manner as we do.

The presentation of this financial information is not intended to be considered in isolation of or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. By disclosing these non-GAAP financial measures, FNF believes it offers investors a greater understanding of, and an enhanced level of transparency into, the means by which the Company's management operates the Company.

Any non-GAAP financial measures should be considered in context with the GAAP financial presentation and should not be considered in isolation or as a substitute for GAAP net earnings, net earnings attributable to common shareholders, net earnings per share, or any other measures derived in accordance with GAAP as measures of operating performance or liquidity. Further, FNF's non-GAAP financial measures may be calculated differently from similarly titled measures of other companies. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures are provided herein.

FNF Overview

Industry Leading Insurance Solutions Company

Strong track record of technology innovation, market share growth, best in class margins & shareholder value creation

- FNF holds #1 market share in the title insurance industry; #1 or #2 share in 40 states
- F&G is a Top 10 fixed indexed annuity writer in the industry; well-positioned with diversified growth strategy

Title Insurance

FNF is the leading provider of title insurance and settlement services to the real estate and mortgage industries

Mortgage & Real Estate Services

Various mortgage and real estate services companies that provide solutions that complement our title insurance business

Real Estate Technology

Industry leading smart title automation, closing, title, and escrow systems, digital mortgage solutions, real estate marketing and CRM software, and the first end-to-end real estate experience platform

Annuities & Life Insurance

Our majority-owned subsidiary, F&G is a leading provider of insurance solutions serving retail annuity & life customers and institutional clients

\$14.4B Total Revenue¹ | 32% Title Market Share | ~1,300 Direct Title Offices | ~24,000 Employees
Fortune Ranked 313 (NYSE: FNF)² | FNF Market Capitalization \$14.8B² | FG Market Capitalization \$4.2B (~70% owned)²

Source: ALTA U.S. Market Share and Wink's Annuity Sales & Report for FY2024

¹Reflects Total Revenue for 2025

²As of 12/31/2025

Compelling Investment Case for FNF

Strategically Positioned for Long-Term Growth

Nationwide market leader in attractive and growing sectors



Sustainable Competitive Advantages

Structural advantages offer differentiated value proposition



Disciplined and Profitable Growth

Scale and best-in-class margins generate industry leading performance



Strong Capitalization Supports Growth

Solid balance sheet with financial flexibility for continued growth



Focus on Shareholder Value Creation

Track record of consistent long-term value creation



Title Segment Well-Positioned For Growth

Sustainable competitive advantages strategically position FNF for long-term growth

Strategically Positioned For Long-Term Growth

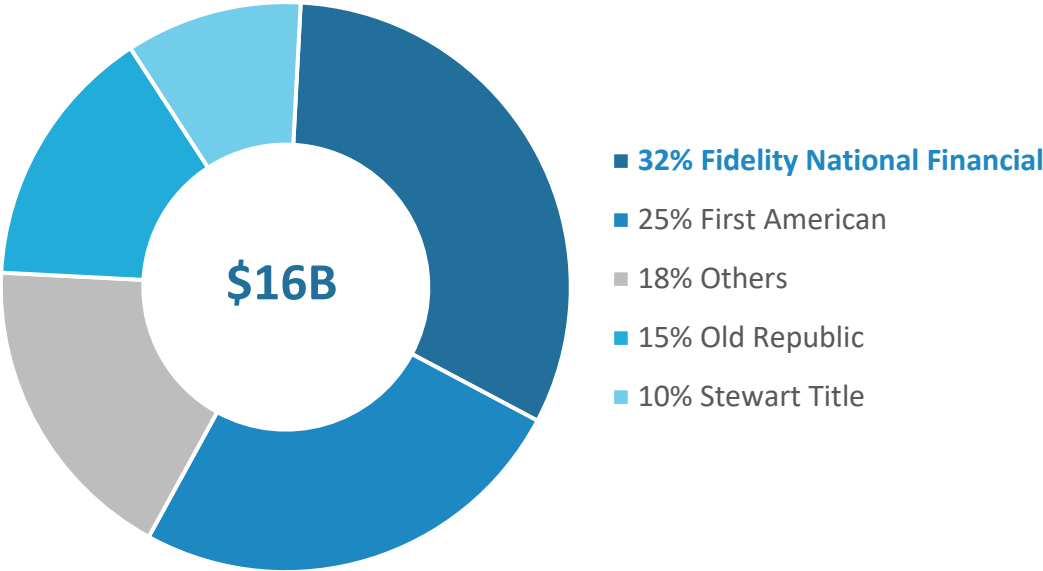
Sustainable Competitive Advantages



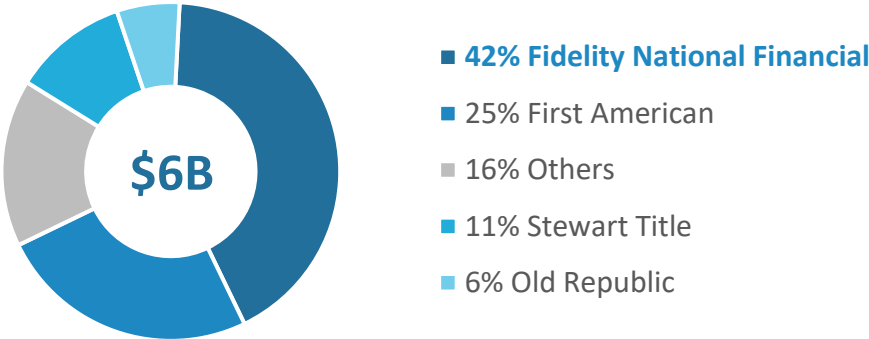
Title: #1 Market Leader Provides Scale Advantage

FNF consistently holds top market share in residential purchase, refinance, and commercial markets

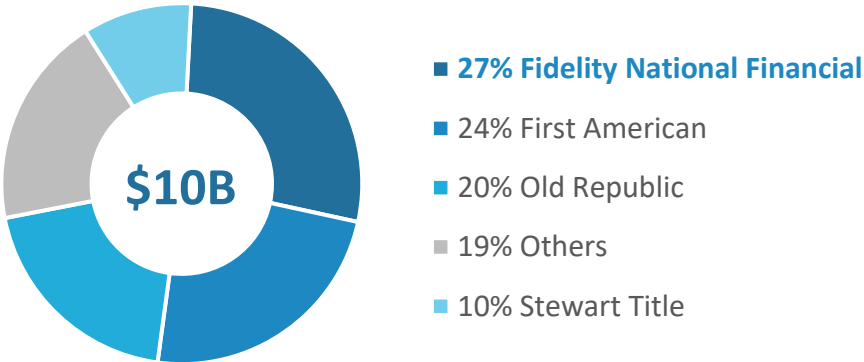
Total



Direct



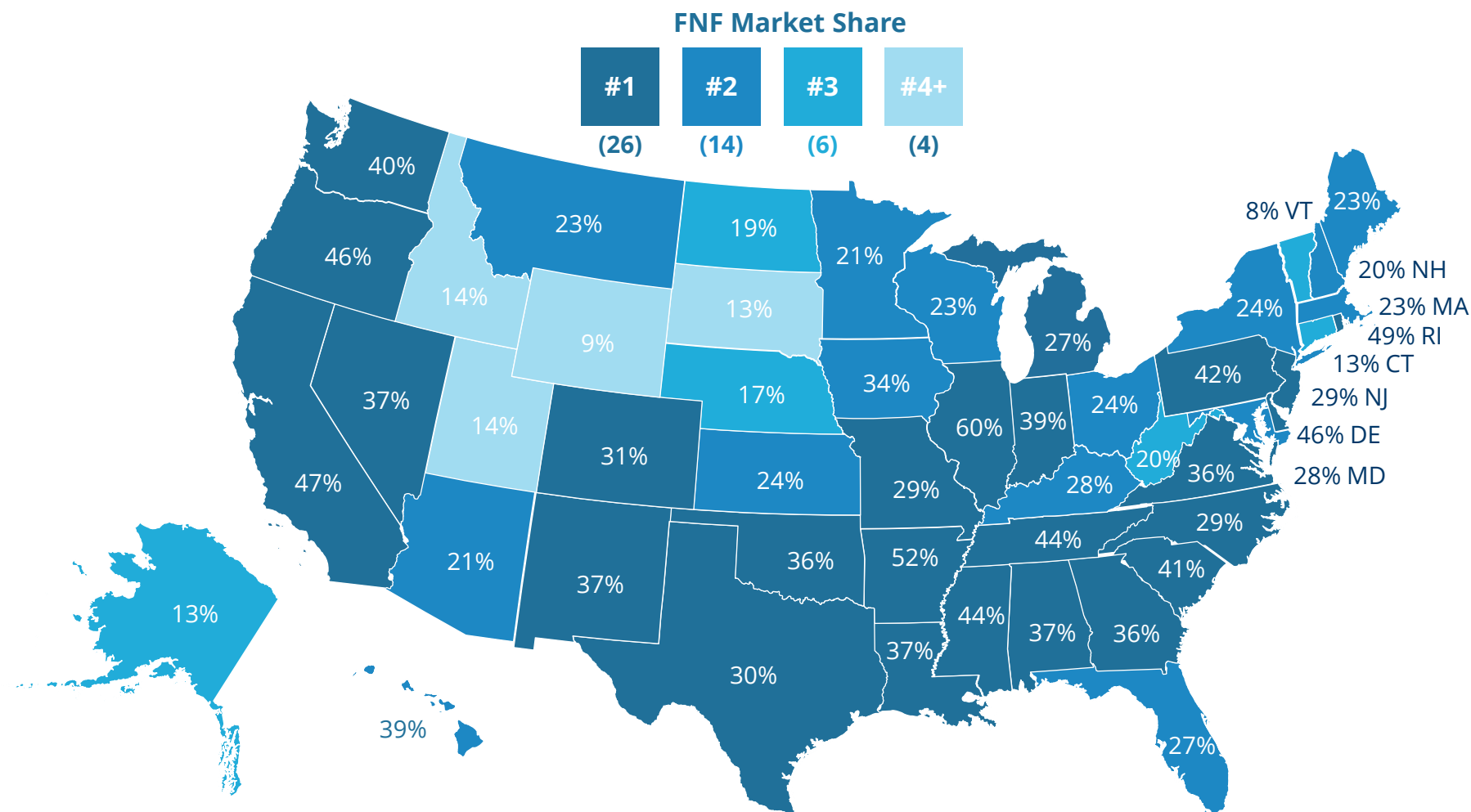
Agent



Source: ALTA Market Share Report FY2024 – U.S. Market Share Only

Title: Overall Market Share By State

FNF holds #1 or #2 share in 40 states ... continue to maintain strong local market presence



Source: ALTA Market Share Report FY2024 – U.S. Market Share Only

Title: Proven “Go-to-Market” Approach

Nationwide footprint with dominant local market share

- Unique national and local, multi-brand strategy drives market share, profitability, and preserves value of acquisitions
- Core title business complemented by ancillary real-estate related businesses
- Scale and volume drive revenue and reduce costs



Title: Technology Driven Innovation, Growth & Efficiency

Significant investments in acquiring, developing, and enhancing technology for ourselves and our customers

Title Automation
Technology & Deep Real
Estate Data



Millions of automated
title decisions annually

Title, Settlement and
Digital Mortgage
Solutions



Leading technology
solution provider to
industry title agents and
centralized platform

Agent Marketing, CRM,
and Transaction Mgt



Used by hundreds of
thousands of real
estate agents and
millions of consumers

End-to-End Real Estate
Experience Platform



Nearly 2.8M unique
users in 2025 managing
transactions through
the inHere platform

Title: Disciplined Operating Strategy

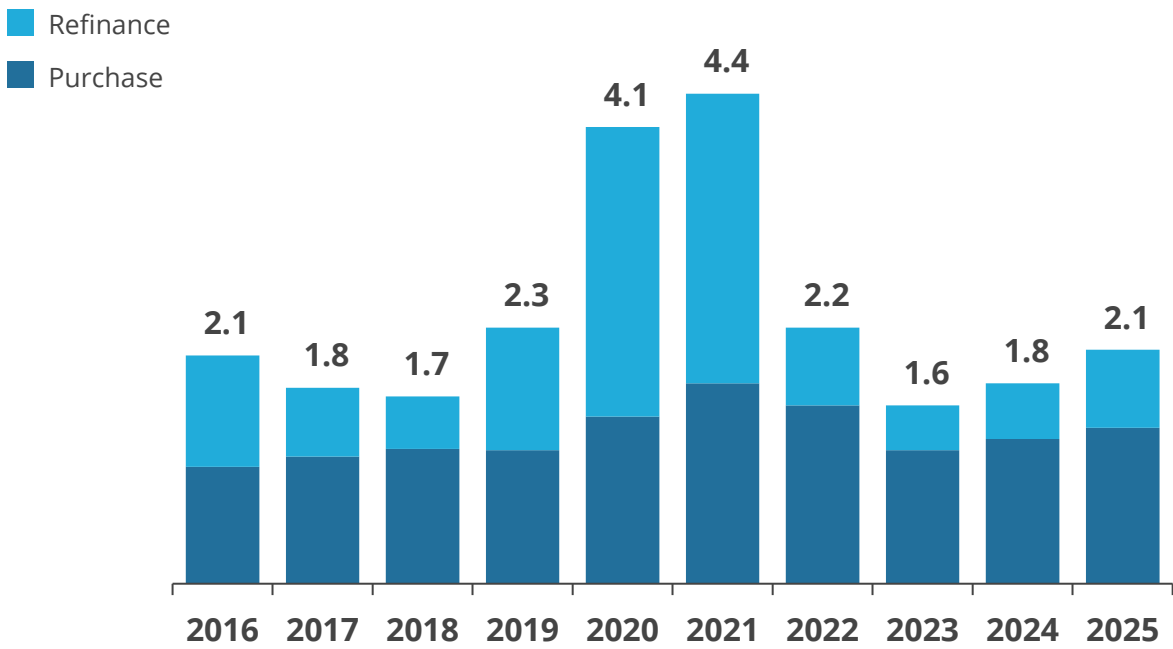
FNF's operating discipline and investment in data, automation and integrated technology is reflected in our margins

- ✓ **We manage the business to the trend in opened and closed orders, adjusting our headcount and footprint accordingly**
 - React quickly, utilize the “order lag” to our advantage
 - Slow to add headcount when volumes improve; swiftly reduce headcount as order volumes decline
 - We view a “normalized” adjusted pre-tax title margin of 15% to 20%, on an annual basis, as a good rule of thumb; although we are not in a normal market at this time due to the low residential purchase and refinance volumes
- ✓ **We remain bullish on the real estate market and continue to invest in the business for long term growth, all while maintaining industry leading margins**
 - Recruiting top talent
 - Making strategic acquisitions to amplify the Title and real estate related businesses
 - Continuing to develop and invest in technology
- ✓ **We have been investing in our business and developing premier technology for decades**
 - Over the last decade, we pioneered instant decisioning and automated underwriting without diminishing the coverage or value of our insurance product and migrated to a consistent operating platform
 - In recent years, we have significantly enhanced the customer experience with our proprietary inHere digital platform, while mitigating risk and fraud
 - We rolled out AI tools enterprise-wide to enhance productivity, streamline workflows, increase efficiency and unlock new ways to better serve our customers

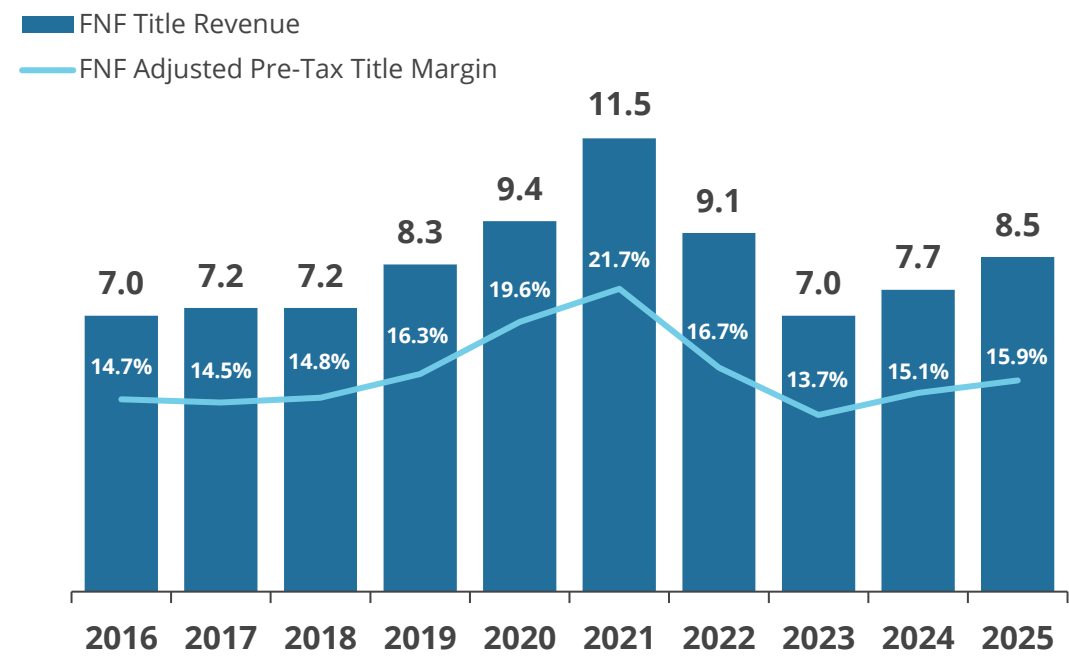
Title: Operating Performance

FNF has a long history of generating strong margins across varying market cycles

Industry Mortgage Originations (\$Trillions)



FNF Title Revenue (\$B) | Margin %

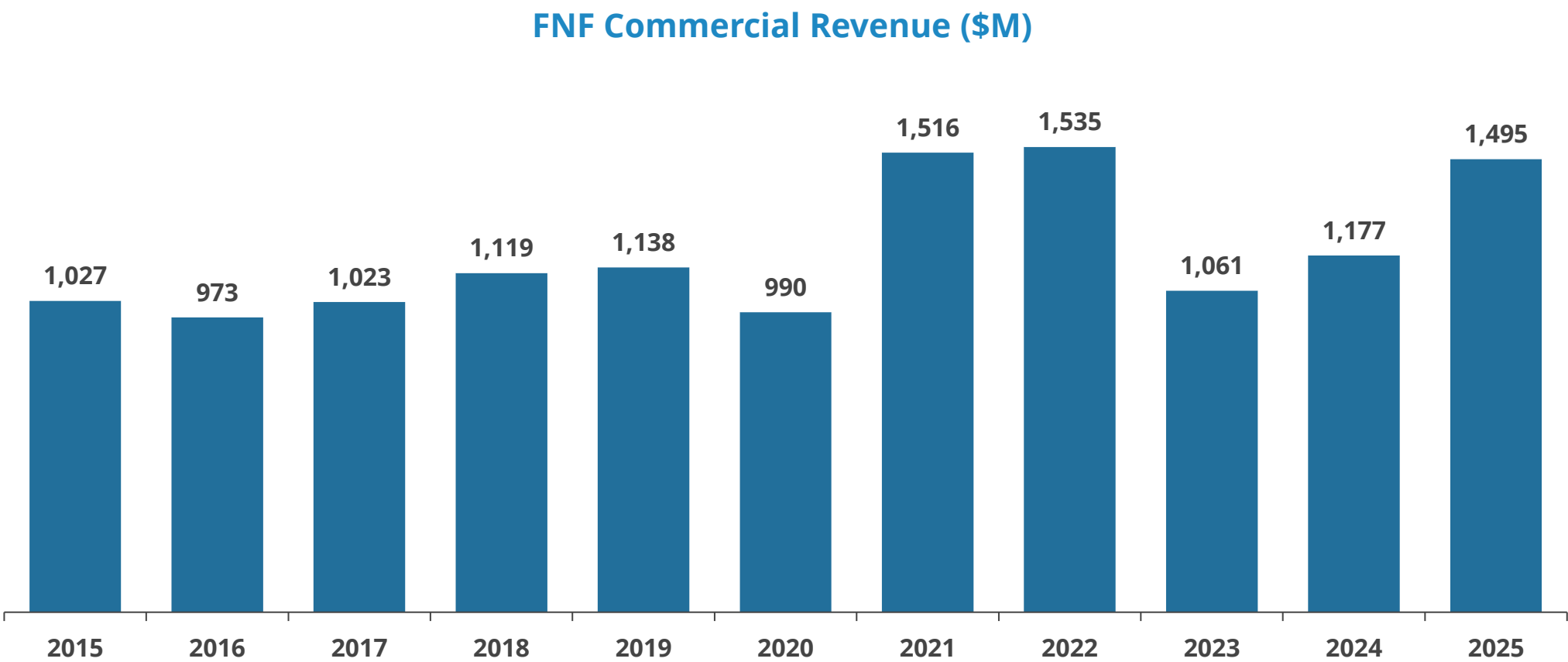


MBA 30-Yr Mortgage Rate	3.6%	3.9%	4.8%	3.7%	2.8%	3.1%	5.3%	6.8%	6.7%	6.6% ¹
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¹MBA January 2026 Housing Forecast

Title: Continued Strength in Commercial Real Estate

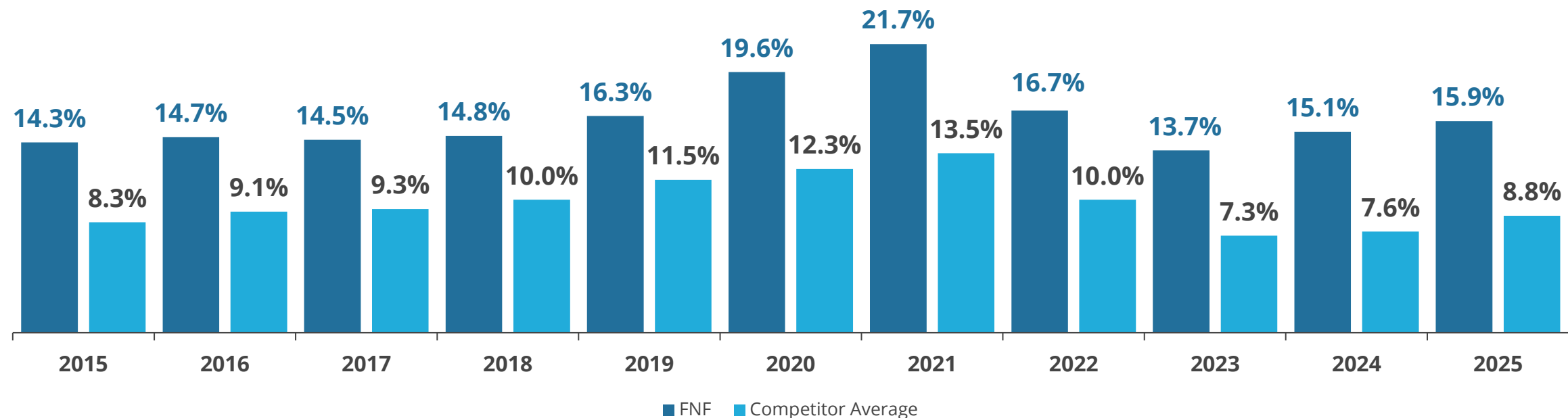
Commercial revenue in 2025 was our third best year on record; driven by higher national and local revenues



Title: Competitive Advantages Drive Leading Margin

FNF has consistently delivered industry leading adjusted pre-tax title margins through peak and challenging market cycles

- **FNF margins in future market peaks and challenges expected to be higher relative to historic averages in comparable market conditions**
 - Powered by scale and decades of automation, innovation, and productivity improvements
 - Sustained by competitive advantages and disciplined operating strategy



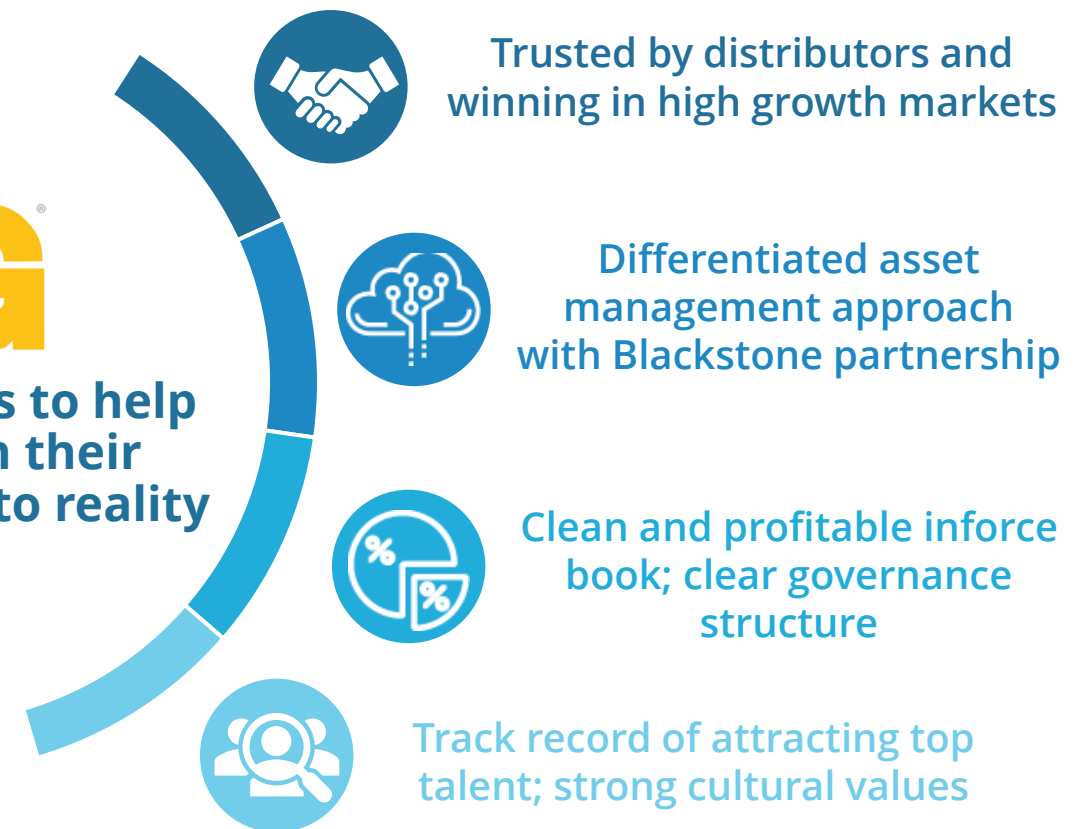
F&G Segment Well-Positioned For Growth

F&G, our majority-owned subsidiary, is a nationwide market leader for insurance solutions to retail annuity and life customers and institutional clients

Strategically Positioned For Long-Term Growth



Sustainable Competitive Advantages

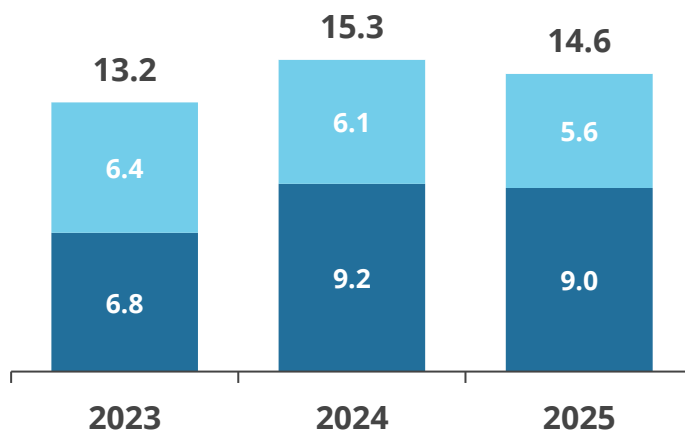


F&G Segment: Gross Sales Trend

F&G's sales in 2025 marked one of our best sales years; driven by favorable market conditions and strong consumer demand

Gross Sales (\$B)

- Opportunistic (MYGA and Funding agreements)
- Core (Indexed annuities, IUL and PRT)



Net Sales (\$B) ¹	9.2	10.6	10.0
AUM (\$B)	49.1	53.8	57.6
AUM (\$B) before flow reinsurance	55.9	65.3	73.1

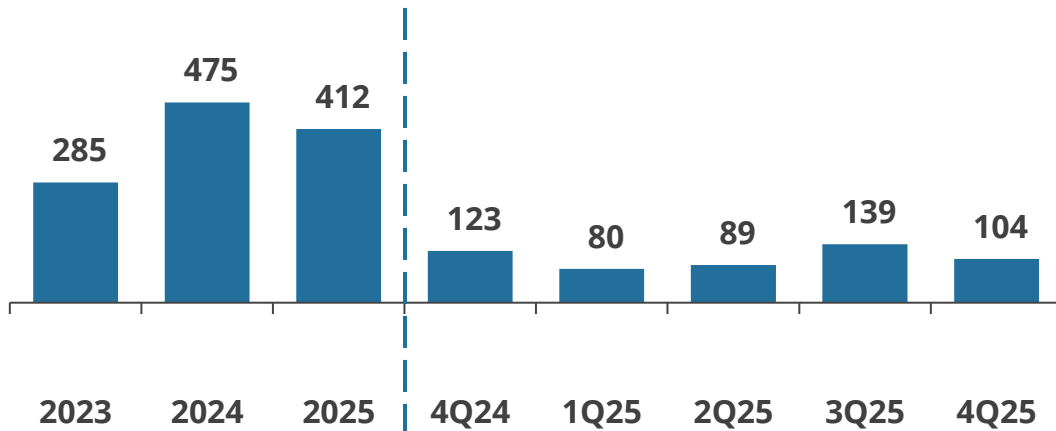
- F&G, our majority-owned subsidiary, is a well-diversified and leading provider in retail and institutional markets
- Record AUM** before flow reinsurance of \$73.1B, ↑ 12% vs. PY; this includes retained AUM of \$57.6B, ↑ 7% vs. PY
- Gross sales** of \$14.6B in FY2025; continue to prioritize pricing discipline and capital allocation to the highest return opportunities for core vs. opportunistic sales

¹Net Sales retained reflect flow reinsurance to third parties, including the reinsurance sidecar

F&G Segment: Adjusted Net Earnings Trend

F&G Segment contributed 30% of FNF's adjusted net earnings FY2025; in line with average for past 3 years

Adjusted Net Earnings (ANE) (\$M)^{1,2}



- **FY2025 ANE of \$412M vs. \$475M FY2024, including 4Q25 ANE of \$104M vs. \$123M 4Q24**
 - ANE included significant (income) and expense items of (\$24M) and \$0M in FY2025 and 4Q25, respectively, and \$7M and (\$6M) in FY2024 and 4Q24, respectively
 - Investment income from alternative investments was below management's long-term expected return of approximately 10% by \$228M and \$53M in FY2025 and 4Q25, respectively, and \$123M and \$27M in FY2024 and 4Q24, respectively
- **4Q25 ANE vs. 4Q24** also reflects asset growth, growing accretive flow reinsurance fees, steady owned distribution margin and disciplined expense management driving scale benefit; partially offset by higher interest expense on debt

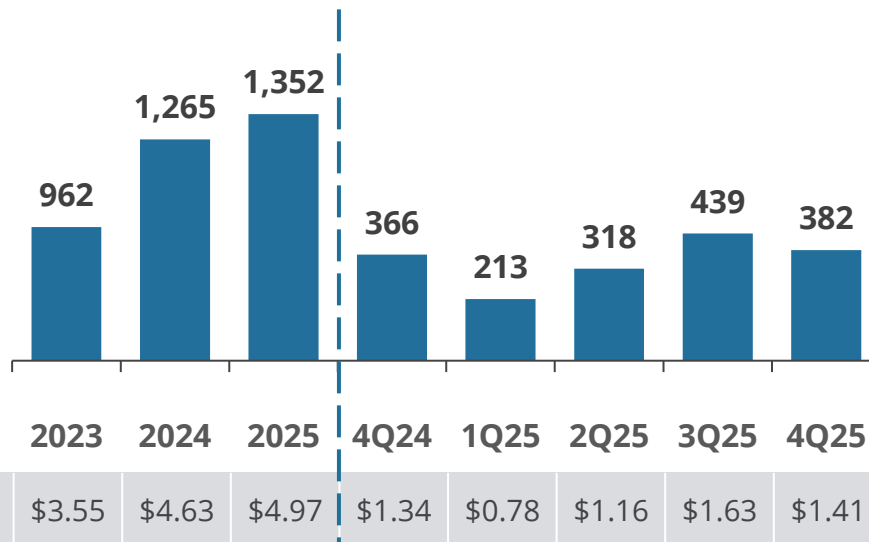
¹See "Non-GAAP" definitions in the Appendix

²F&G Segment reported net of noncontrolling minority interest

FNF Adjusted Net Earnings Trend

Reported ANE includes strong Title Segment earnings and F&G segment short-term mark-to-market effects

Adjusted Net Earnings (ANE) (\$M)^{1,2}



- **FNF consolidated ANE of \$1.4B, or \$4.97 per diluted share for FY2025**, ANE ↑ 7% vs. FY2024
- **FNF consolidated ANE of \$382M**, or \$1.41 per diluted share for 4Q25, ANE ↑ 4% vs. 4Q24
 - Title Segment: \$306M in 4Q25, ↑ \$43M vs. 4Q24
 - F&G Segment: \$104M in 4Q25, ↓ (\$19M) vs. 4Q24
 - Corp. Segment: (\$28M) in 4Q25, ↓ (\$8M) vs. 4Q24
 - Corporate Segment, before eliminating dividend income from F&G in the consolidated statements, had adjusted net earnings of \$4M in 4Q25 vs. adjusted net earnings of \$8M in 4Q24

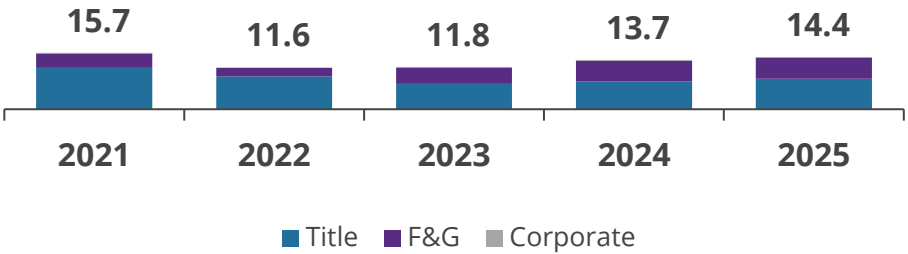
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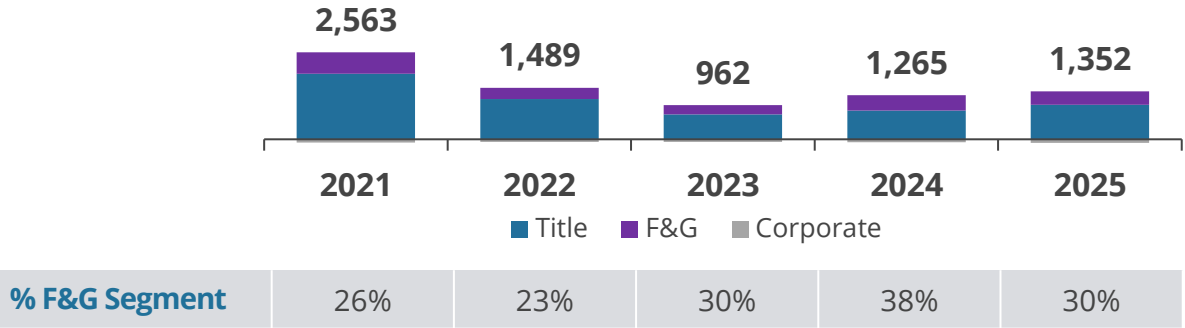
FNF's Disciplined and Profitable Growth

Record 2021 above historic trends; excellent year in 2025 reflecting strong performance across the business

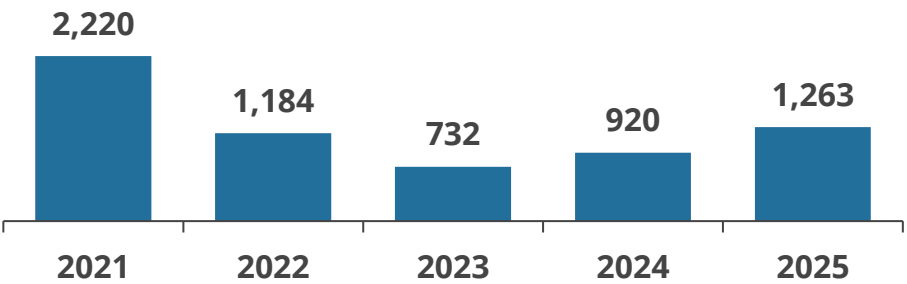
Total Revenue (\$B)



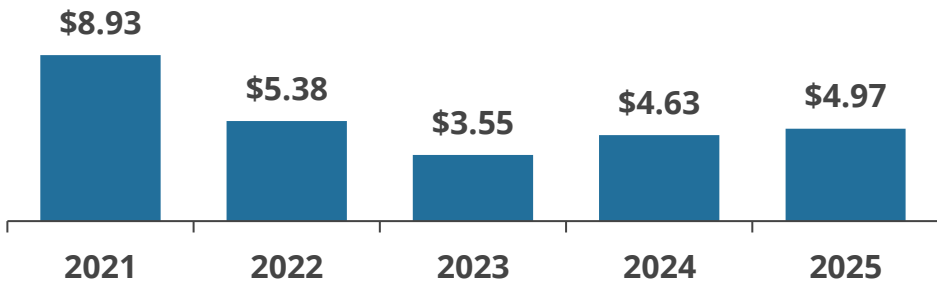
Adjusted Net Earnings (\$M)¹



Net Cash From Operations (\$M) (ex F&G)



Adjusted Net Earnings Per Share (Diluted)

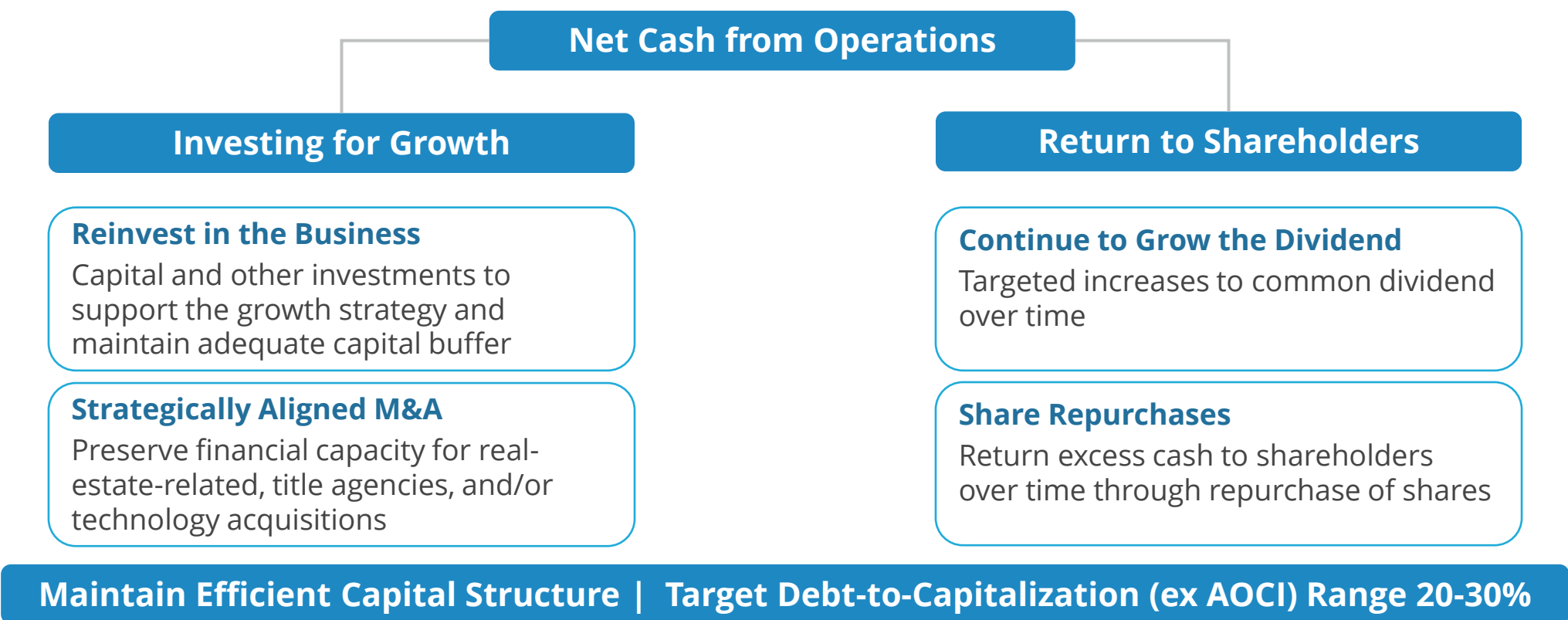


¹F&G Segment reported net of noncontrolling minority interest

Strong Capitalization Supports Growth

Balancing financial flexibility and efficient capital structure

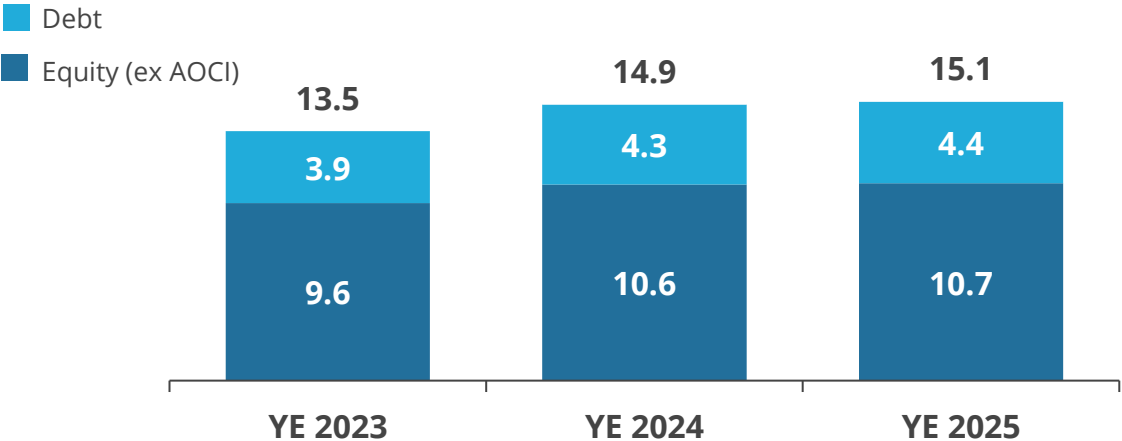
- FNF's capital allocation priorities are focused on deploying capital to best maximize shareholder value through both continued investment in our business and return of capital to shareholders



Financial Flexibility: Debt-to-Total Capital

As of December 31, 2025

GAAP Capitalization ex AOCI¹ (\$B)



Debt to Capital ¹ %	28.9%	29.0%	29.2%
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- Maintaining strong balance sheet; focused on a balanced capital allocation strategy
- YE2025 debt-to-capitalization ratio ex AOCI of 29.2%; within targeted range of 20% to 30%
- Holding company cash and short-term investments of \$659M as of December 31, 2025, ↓ 16% vs. \$786M as of December 31, 2024

¹Excluding accumulated other comprehensive income (ex AOCI)

Financial Flexibility: Debt-to-Total Capital (continued)

As of December 31, 2025

FNF Debt-to-Total Capitalization, excluding AOCI (\$M)		
4.50% Senior Notes due 2028	\$450	
3.40% Senior Notes due 2030	\$650	
2.45% Senior Notes due 2031	\$600	
3.20% Senior Notes due 2051	\$450	
Notes Payable – FNF	\$2,150	
7.40% Senior Notes due 2028	\$500	
6.50% Senior Notes due 2029	\$550	
6.25% Senior Notes due 2034	\$500	
7.95% Senior Notes due 2053	\$345	
7.30% Junior Notes due 2065	\$375	
Notes Payable – F&G	\$2,270	
Unamortized, incl. debt issuance costs, and Other, net	(\$20)	
Total Debt	\$4,400	\$4,400
FNF Shareholders' Equity	\$7,424	
Non-Controlling Interests	\$1,548	
Total Equity	\$8,972	
Accumulated other comprehensive (loss) earnings (AOCI)	(\$1,678)	
Total Equity, excluding AOCI	\$10,650	
Total Capitalization, excluding AOCI	\$15,050	\$15,050
Total Debt to Total Capitalization, excluding AOCI		29.2%

- Consolidated debt of \$4.4B at YE2025 vs. \$4.3B at YE2024
 - F&G net debt issued & redeemed of \$75M
- YE2025 debt-to-capitalization ratio ex AOCI of 29.2%; within targeted range of 20% to 30%

Financial Overview

4Q25 and FY2025 Results

Fourth Quarter and Full Year Financial Highlights

Outstanding results and execution; industry leading pre-tax Title margin and record AUM from F&G

(\$M) - except per share data	Quarterly		Full Year	
	4Q24	4Q25	2024	2025
Total revenue	3,621	4,051	13,681	14,445
F&G gross sales	3,469	3,392	15,262	14,638
F&G net sales	2,438	2,304	10,571	10,029
F&G assets under management (AUM)	53,817	57,574	53,817	57,574
F&G AUM before flow reinsurance	65,274	73,090	65,274	73,090
Total assets	95,263	109,014	95,263	109,014
Adjusted pre-tax title margin	16.6%	17.5%	15.1%	15.9%
Net earnings (loss)¹	450	(117)	1,270	602
Net earnings (loss) per diluted share¹	\$1.65	(\$0.43)	\$4.65	\$2.21
Adjusted net earnings¹	366	382	1,265	1,352
Adjusted net earnings per share¹	\$1.34	\$1.41	\$4.63	\$4.97

¹F&G Segment reported net of noncontrolling minority interest

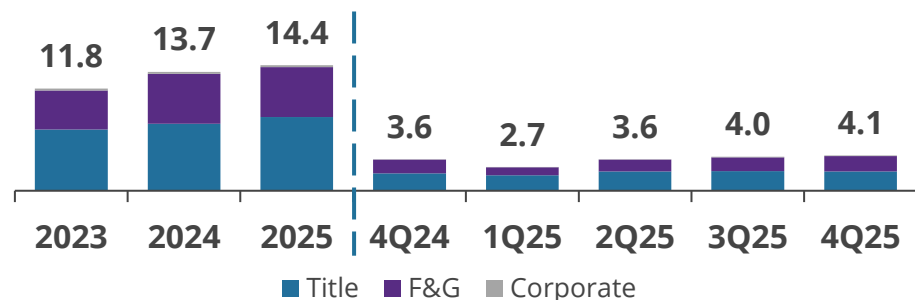
4Q25 and full year 2025 highlights (comparisons to PY)

- **Total revenue** of \$4.1B in 4Q25 and \$14.5B in 2025; driven by strong performance across the business, including commercial, as well as F&G pension risk transfer premiums which vary quarter over quarter
- **Profitable F&G gross sales** of \$3.4B in 4Q25 and \$14.6B for 2025, one of the best sales years in history, driven by favorable market conditions & strong demand for retirement savings products. AUM before flow reinsurance of \$73.1B at YE2025, ↑ 12% vs. YE2024
- **Industry leading adjusted pre-tax title margin** of 17.5% in 4Q25 & 15.9% in 2025 highlights our ability to execute in dynamic market conditions
- **Net loss** of \$117M in 4Q25 includes a \$471M noncash deferred income tax charge resulting from our year-end distribution of F&G shares to FNF shareholders, which reduced our ownership of F&G below 80%. This distribution triggered an accounting requirement to recognize a deferred tax liability on the accumulated difference between our book and tax basis in F&G. This noncash charge has no impact on our current cash position, operations or liquidity, and represents a potential future tax obligation that would arise only if we were to sell or distribute additional shares of F&G in the future. This item is excluded from adjusted net earnings, along with other mark-to-market effects and non-recurring items
- **Adjusted net earnings** of \$382M in 4Q25 and \$1.4B in 2025, up 4% and 7%, respectively vs. the 2024 periods
- **Strong balance sheet with ample deployable capital in challenging market;** \$659M in hold co cash & short-term investments at YE2025

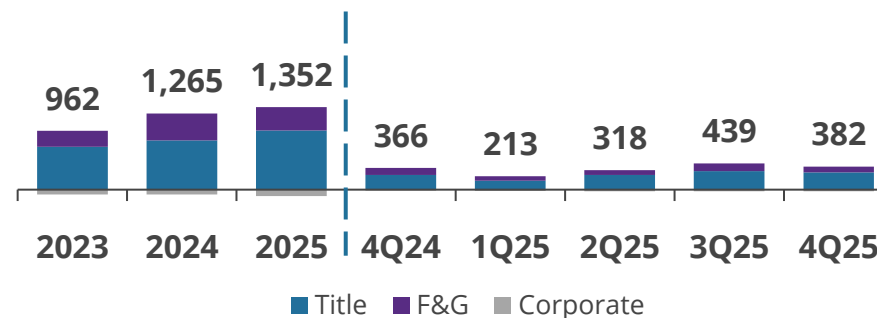
Financial Trends – Rolling 5 Quarters

Both businesses delivered strong results for 4Q25, including robust generation of net cash from operations (ex F&G)

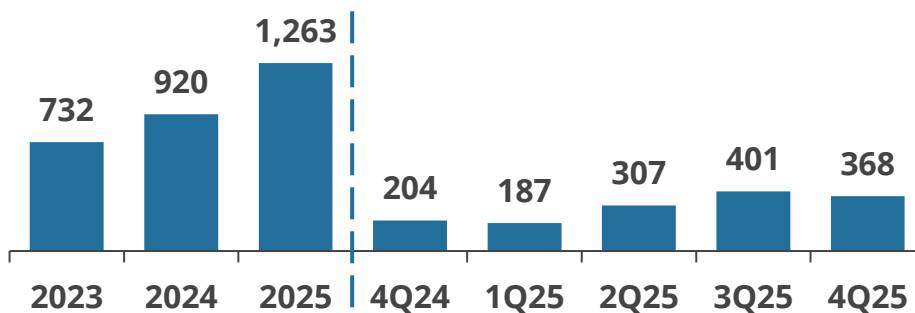
Total Revenue (\$B)



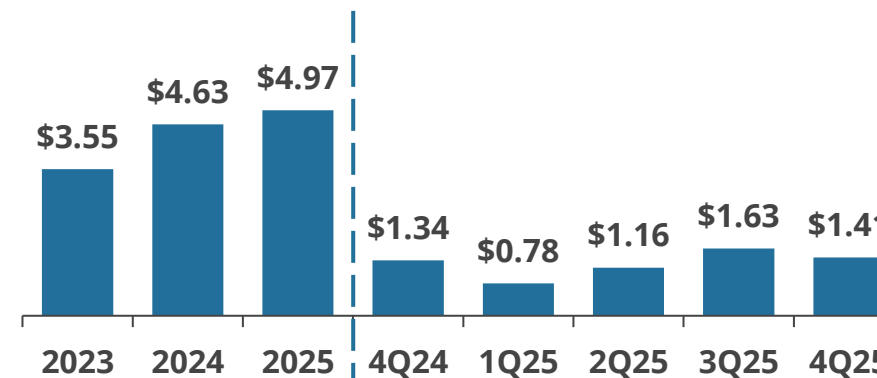
Adjusted Net Earnings (\$M)¹



Net Cash From Operations (\$M) (Consolidated ex F&G Segment)



Adjusted Net Earnings Per Share (Diluted)



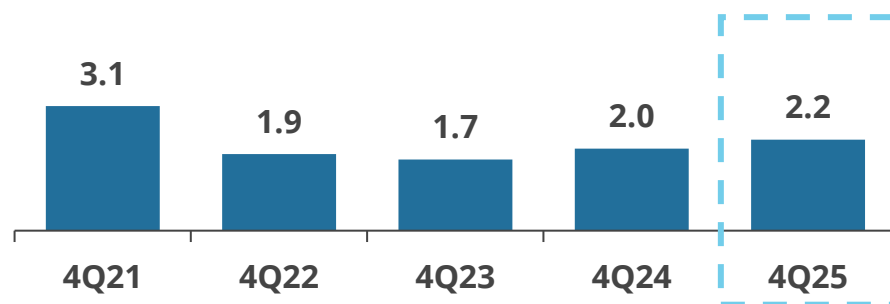
¹F&G Segment reported net of noncontrolling minority interest

Financial Trends – Historical Trend for Q4

4Q25 Title Segment strong pre-tax title margin and net cash generation; highest Q4 in most recent four years

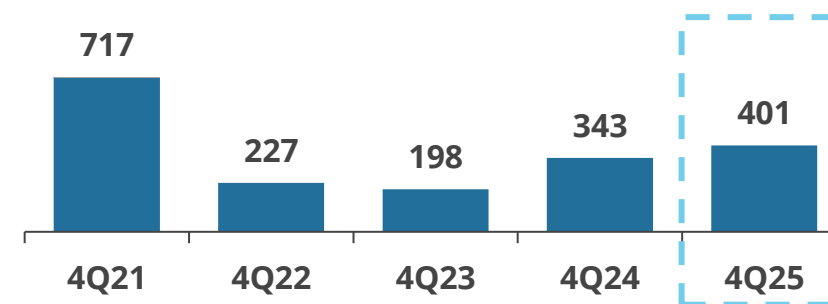
Total Revenue (\$B)

(Title Segment Only)



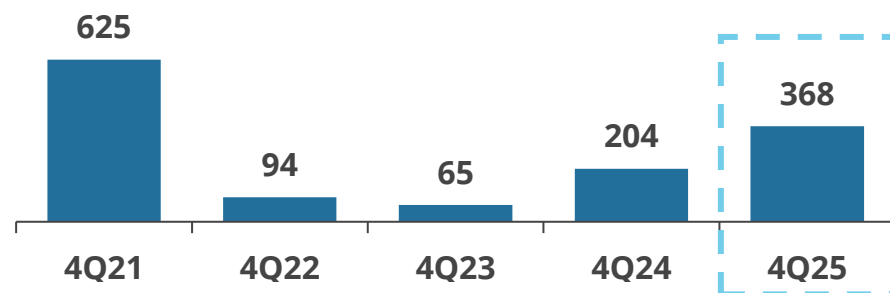
Adjusted Pre-Tax Earnings (\$M)

(Title Segment Only)



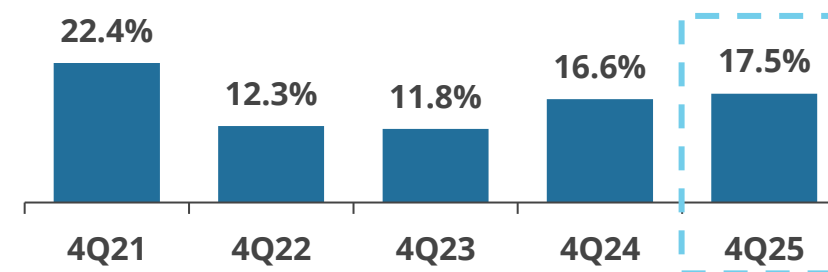
Net Cash From Operations (\$M)

(Consolidated ex F&G Segment)



Adjusted Pre-Tax Title Margin

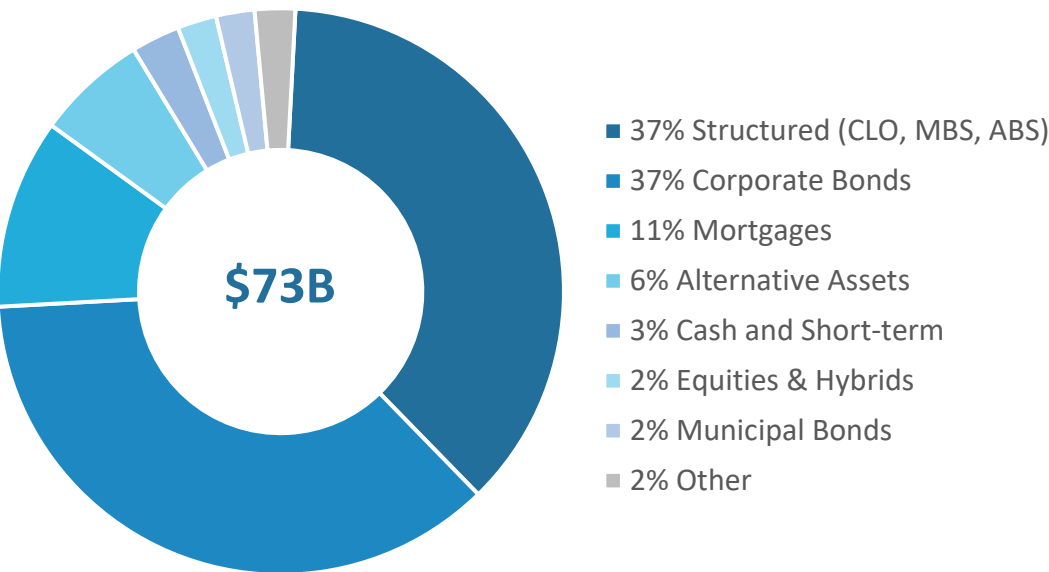
(Title Segment Only)



Total Invested Assets Overview

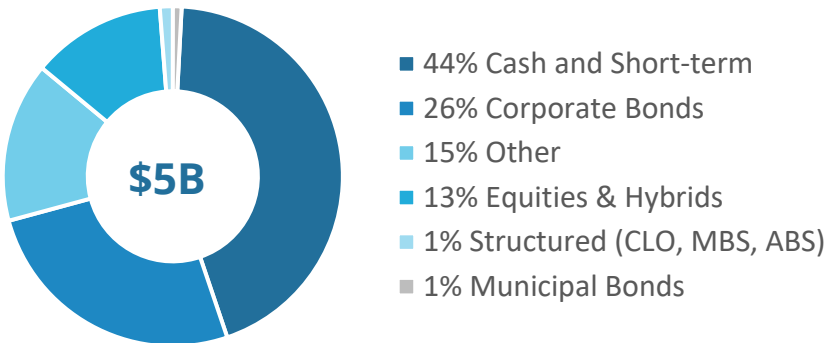
As of December 31, 2025

Consolidated Investment Portfolio



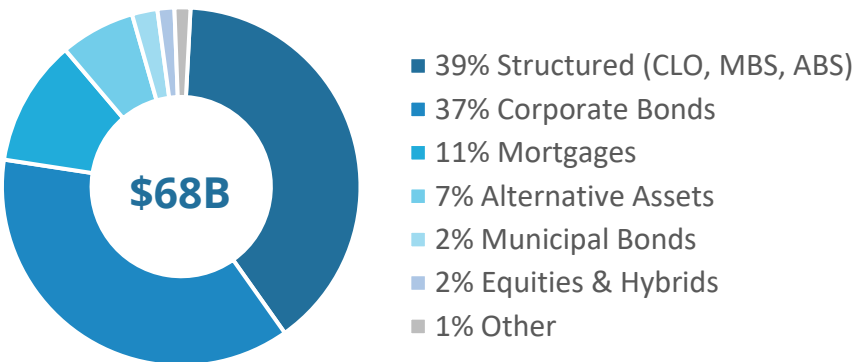
Investment Portfolio ex F&G

Average credit quality: A1 (Moody's or equivalent rating)



F&G Investment Portfolio

Average credit quality: NAIC 1.4



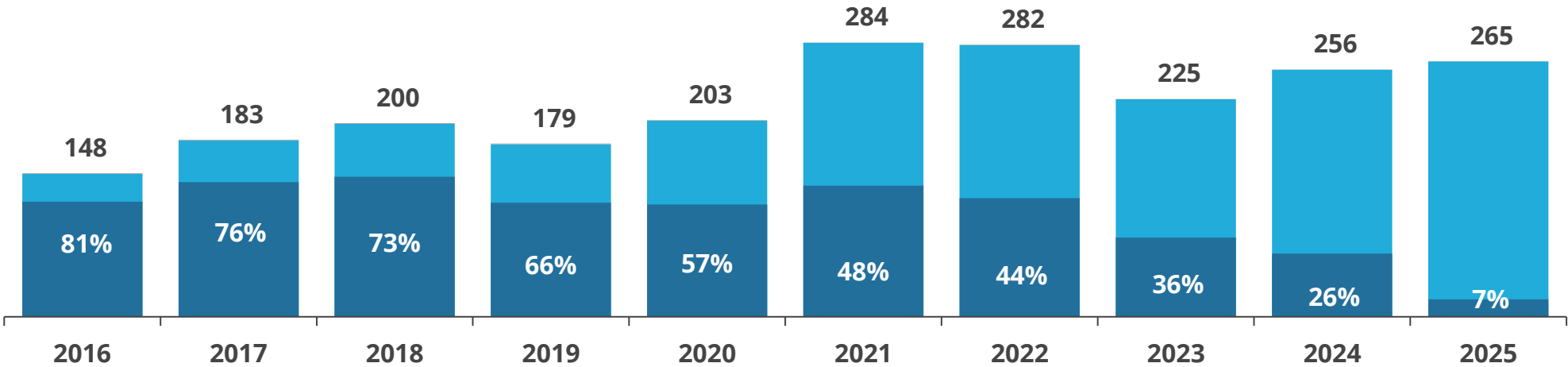
Title Claims/Reserves

Rolling Historic Ten Years

Estimated Policy Year Completion

Ultimate Loss 2016 to 2025 (\$M)

- Reserves and IBNR
- Paid to Date



Loss Ratio	3.1%	3.7%	4.1%	3.3%	3.2%	3.3%	4.1%	4.9%	5.0%	4.5%
GAAP Premiums	\$4,723	\$4,893	\$4,911	\$5,342	\$6,298	\$8,553	\$6,834	\$4,592	\$4,153	\$5,824

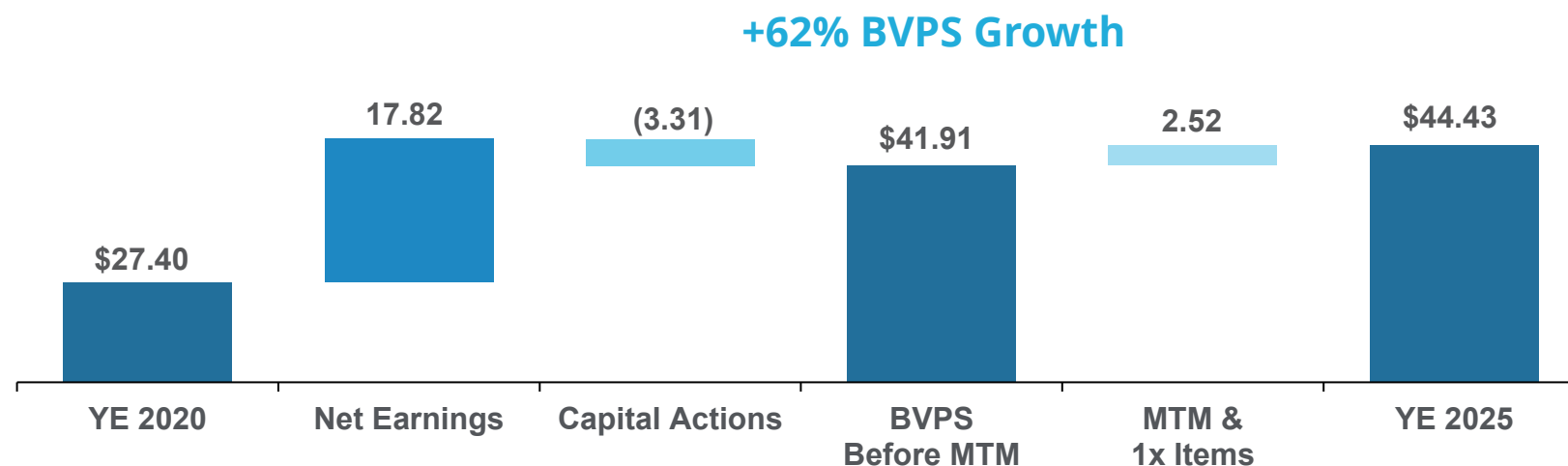
Appendix

F&G¹ Has Generated Sustainable Returns

Since FNF acquired F&G in 2020, F&G's strong earnings generation combined with balanced capital allocation have been driving steady BVPS growth, before mark-to-market movements which are unrealized and point in time

Book Value Per Share (BVPS) ex AOCI²

Cumulative period from YE 2020 to YE 3Q25



¹100% F&G standalone (NYSE: FG); additional details available in F&G's Winter 2025 Investor Presentation available at <https://investors.fglife.com>

²Calculated as F&G equity attributable to common shareholders ex AOCI divided by common shares outstanding; effect of LDTI and actuarial system conversion reflected in 1x items

Non-GAAP Measure Reconciliations

Reconciliation from Net Earnings (Loss) Attributable to Common Shareholders to Adjusted Net Earnings (Loss)

	Twelve Months Ended			Three Months Ended				
	December 31, 2023	December 31, 2024	December 31, 2025	December 31, 2024	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025
<i>\$ millions, except per share data</i>								
Net earnings (loss) attributable to common shareholders	\$517	\$1,270	\$602	\$450	\$83	\$278	\$358	(\$117)
Pre-tax earnings (loss) from continuing operations	693	1,742	1,397	640	111	382	453	451
Non-GAAP Adjustments								
Recognized (gains) and losses, net	254	28	250	23	53	32	103	62
Market related liability adjustments	258	(214)	28	(233)	103	(16)	(37)	(22)
Purchase price amortization	108	153	146	38	33	33	45	36
Transaction and other costs	27	28	20	30	-	12	6	1
Adjusted pre-tax earnings (loss)	1,340	1,737	1,841	498	300	443	570	528
Total non-GAAP, pre-tax adjustments	647	(5)	444	(142)	189	61	117	77
Income taxes on non-GAAP adjustments	(139)	1	(95)	28	(40)	(12)	(26)	(17)
Deferred tax asset valuation allowance	-	(4)	(22)	3	1	5	2	(30)
Distribution of F&G deferred tax adjustment	-	-	471	-	-	-	-	471
Non-controlling interest on non-GAAP adjustments	(63)	3	(48)	27	(20)	(14)	(12)	(2)
Total non-GAAP adjustments	445	(5)	750	(84)	130	40	81	499
Adjusted net earnings (loss) from continuing operations attributable to common shareholders	\$962	\$1,265	\$1,352	\$366	\$213	\$318	\$439	\$382
Adjusted EPS attributable to common shareholders - diluted	\$3.55	\$4.63	\$4.97	\$1.34	\$0.78	\$1.16	\$1.63	\$1.41
Other considerations:								
Investment income from alternative investments (above) below long-term return expectations	130	123	228	27	52	68	55	53
Significant (income) expense items	47	7	(24)	(6)	(13)	-	(11)	-

Title: Non-GAAP Measure Reconciliations

Reconciliation from Pre-Tax Title Earnings to Adjusted Pre-Tax Title Earnings

<i>\$ millions</i>	Three months ended					
	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024	December 31, 2025
Pre-tax Title earnings	\$896	\$567	\$239	\$245	\$271	\$330
<u>Non-GAAP Adjustments before taxes</u>						
Recognized (gains) and losses, net	(290)	135	(29)	(65)	57	58
Purchase price amortization	18	15	17	18	15	13
Total non-GAAP, pre-tax adjustments	(272)	150	(12)	(47)	72	71
Adjusted pre-tax Title earnings	\$624	\$717	\$227	\$198	\$343	\$401
Adjusted pre-tax Title margin	22.7%	22.4%	12.3%	11.8%	16.6%	17.5%

Title: Non-GAAP Measure Reconciliations (Continued)

Reconciliation from Pre-Tax Title Earnings to Adjusted Pre-Tax Title Earnings

	Twelve Months Ended			Three months ended				
	December 31, 2023	December 31, 2024	December 31, 2025	December 31, 2024	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025
<i>\$ millions</i>								
Pre-tax Title earnings	\$883	\$1,096	\$1,227	\$271	\$171	\$367	\$359	\$330
<u>Non-GAAP Adjustments before taxes</u>								
Recognized (gains) and losses, net	9	6	78	57	25	(43)	38	58
Purchase price amortization	72	59	54	15	15	13	13	13
Total non-GAAP, pre-tax adjustments	81	65	132	72	40	(30)	51	71
Adjusted pre-tax Title earnings	\$964	\$1,161	\$1,359	\$343	\$211	\$337	\$410	\$401
Adjusted pre-tax Title margin	13.7%	15.1%	15.9%	16.6%	11.7%	15.5%	17.8%	17.5%

Non-GAAP Measures and Definitions

DEFINITIONS

The following represents the definitions of non-GAAP measures used by the Company.

Adjusted Net Earnings Attributable to Common Shareholders (Adjusted Net Earnings)

Adjusted net earnings attributable to common shareholders is a non-GAAP economic measure we use to evaluate financial performance each period. Adjusted net earnings attributable to common shareholders is calculated by adjusting net earnings (loss) attributable to common shareholders to eliminate:

- i. Recognized (gains) and losses, net: the impact of net investment gains/losses, including changes in allowance for expected credit losses and other than temporary impairment ("OTTI") losses, recognized in operations; and the effects of changes in fair value of the reinsurance related embedded derivative and other derivatives, including interest rate swaps and forwards;
- ii. Market related liability adjustments: the impacts related to changes in the fair value, including both realized and unrealized gains and losses, of index product related derivatives and embedded derivatives, net of hedging cost; the impact of initial pension risk transfer deferred profit liability losses, including amortization from previously deferred pension risk transfer deferred profit liability losses; and the changes in the fair value of market risk benefits by deferring current period changes and amortizing that amount over the life of the market risk benefit;
- iii. Purchase price amortization: the impacts related to the amortization of certain intangibles (internally developed software, trademarks and value of distribution asset and the change in fair value of liabilities recognized as a result of acquisition activities);
- iv. Transaction costs: the impacts related to acquisition, integration and merger related items;
- v. Certain income tax adjustments: the impacts related to unusual tax items that do not reflect our core operating performance such as the establishment or reversal of significant deferred tax asset valuation allowances in our Title and Corporate and Other segments;
- vi. Other and "non-recurring," "infrequent" or "unusual items": Other adjustments include removing any charges associated with U.S. guaranty fund assessments as these charges neither relate to the ordinary course of the Company's business nor reflect the Company's underlying business performance, but result from external situations not controlled by the Company. Further, Management excludes certain items determined to be "non-recurring," "infrequent" or "unusual" from adjusted net earnings when incurred if it is determined these expenses are not a reflection of the core business and when the nature of the item is such that it is not reasonably likely to recur within two years and/or there was not a similar item in the preceding two years;
- vii. Non-controlling interest on non-GAAP adjustments: the portion of the non-GAAP adjustments attributable to the equity interest of entities that FNF does not wholly own; and
- viii. Income taxes: the income tax impact related to the above-mentioned adjustments is measured using an effective tax rate, as appropriate by tax jurisdiction

While these adjustments are an integral part of the overall performance of F&G, market conditions and/or the non-operating nature of these items can overshadow the underlying performance of the core business. Accordingly, management considers this to be a useful measure internally and to investors and analysts in analyzing the trends of our operations. Adjusted net earnings should not be used as a substitute for net earnings (loss). However, we believe the adjustments made to net earnings (loss) in order to derive adjusted net earnings provide an understanding of our overall results of operations.

Non-GAAP Measures and Definitions (Continued)

Assets Under Management (AUM)

AUM is comprised of the following components and is reported net of reinsurance assets ceded in accordance with GAAP:

- i. total invested assets at amortized cost, excluding investments in unconsolidated affiliates, owned distribution and derivatives;
- ii. investments in unconsolidated affiliates at carrying value;
- iii. related party loans and investments;
- iv. accrued investment income;
- v. the net payable/receivable for the purchase/sale of investments; and
- vi. cash and cash equivalents excluding derivative collateral at the end of the period.

Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the size of our investment portfolio that is retained.

AUM before Flow Reinsurance

AUM before Flow Reinsurance is comprised of components consistent with AUM, but also includes flow reinsured assets.

Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the size of our investment portfolio including reinsured assets.

Average Assets Under Management (AAUM)

AAUM is calculated as AUM at the beginning of the period and the end of each month in the period, divided by the total number of months in the period plus one.

Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the rate of return on retained assets.

Sales

Annuity, IUL, funding agreement and non-life contingent PRT sales are not derived from any specific GAAP income statement accounts or line items and should not be viewed as a substitute for any financial measure determined in accordance with GAAP. Sales from these products are recorded as deposit liabilities (i.e., contractholder funds) within the Company's consolidated financial statements in accordance with GAAP. Life contingent PRT sales are recorded as premiums in revenues within the consolidated financial statements. Management believes that presentation of sales, as measured for management purposes, enhances the understanding of our business and helps depict longer term trends that may not be apparent in the results of operations due to the timing of sales and revenue recognition.

